Fixation of bulk drug prices

1418. SHRI BEKAL UTSAHI: Will the Minister of PETROLEUM AND CHEMICALS be pleased to refer to the answer to Unstarred Question 1281 given in the Rajya Sabha on the 21st May, 1990 and state:

(a) whether it is a fact that while fixing the prices the BICP is adopting notified prices of bulk drugs plus 8 per cent;

(b) whether it is a fact that this has led to steep increases in prices of formulations without any justification;

(c) what is the present position and what are the reasons for non-consideration of purchase price in respect of non-producers of bulk drugs;

(d) whether it is a fact that a number of bulk drugs such as Analgin, Metronidazole, Ampicillin and Pyrantel are being sold at a lower price than the notified prices; and

(e) what steps have been taken to reduce the prices of these drugs?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI M.S. GURUPADASWAMY): (a) to (c) While recommending the prices of formulations, BICP is adopting the notified price of the purchase price of the bulk drug whichever is lower. 8% incidental charges which covers sales tax, octroi etc. are allowed if the formulation either happens to be a leader pack or the bulk drug involved therein does not belong to the formulator.

(d) and (e) The requisite information in this regard has already been furnished in reply to parts (e) to (h) of Rajya Sabha Unstarred Question No. 907 answered on 13-8-1990.

Legal issues raised by M/s. Glaxo

1419. SHRI SYED SIBTEY RAZI: Will the Minister of PETROLEUM AND CHEMICALS be pleased to refer to the answer to Unstarred Question 1209 given in the Rajya Sabha on the 21st, May, 1990 and state:

(a) what are the details of legal issues which were left after the High Court judgement in the case of M/s. Glaxo which required consultation with the department of legal Affairs;

(a) What is the opinion of the Department of Legal Affairs on these issues:

(c) when was the opinion received and what steps have been taken on the opinion;

(d) when did the High Court deliver judgement and what is the position of interest on the amount due; and

(e) what is the total amount assessed and upto what period and by when the amount would be recovered?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI M.S. GURUPADASWAMY): (a) to (e) It was felt necessary to have consulation with the Department of Legal Affairs on the issue of recoverable amounts from M/s. Glaxo India Limited in respect of Betamethasone and its formulations. A tentative amount of Rs. 66.35 crores have been assessed against the company upto 25th, August, 1987 and communicated to the company after the receipt of the advise from the Department of Legal Affairs. The Company have again filed a writ petition in the Delhi High Court and the entire matter is now subjudice.